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THE IRON BAY TRUST

TRUSTEES'

interim report

FOR THE SIX MONTHS ENDED JUNE 30, 1968

ADDRESS

Suite 1000, 11 King Street West
Toronto 1, Ontario

TRUSTEES

DAVID A. HUNTLEY, C.A.
Suite 1000, 11 King Street West
Toronto 1, Ontario

and

MONTREAL TRUST COMPANY
15 King Street West
Toronto 1, Ontario

TRANSFER AGENT AND REGISTRAR

Montreal Trust Company
15 King Street West
Toronto, Ontario

THE IRON BAY TRUST

INTERIM REPORT

For the six months ended June 30, 1968

To the Trust Shareholders:

Plant construction at The Griffith Mine was completed early in the year and tune-up operations are now in progress. Up to June 30 the Trust had received royalties of \$10,552 and subsequent to that date received an additional \$51,346, from initial shipments of high grade iron ore pellets. It is expected that the full production rate will be attained later in the year.

Included in disbursements are administrative expenses of \$4,489, which apply to 1967, but which could not be paid by the Trust until first revenue was received in 1968.

The next quarterly royalty payment will be received by the Trust on October 20 and the initial distribution to Trust shareholders will be made on November 15, 1968.

D. A. HUNTLEY and
MONTREAL TRUST COMPANY
Trustees.

August 12, 1968.

THE IRON BAY TRUST

STATEMENT OF RECEIPTS AND DISBURSEMENTS (Note 2)

For the six months ended June 30, 1968

Receipts	
Royalties	\$ 10,552
Disbursements	
Administrative expenses and trustees' fees	6,430
Net receipts, available for distribution (Note 3)	\$ 4,122

NOTE 1 The Trust's mining property is leased to The Steel Company of Canada, Limited until April 30, 2040. The Trust is entitled to a royalty of 40¢ per ton of iron ore product shipped from the property.

NOTE 2 The accompanying financial statements are prepared on a cash basis and accordingly do not reflect accruals of either revenue or expenses.

NOTE 3 The terms of the Trust Indenture provide that the net receipts of the Trust must be distributed each year on November 15, or on such other date or dates as the Trustees deem appropriate, provided that all net receipts are distributed in the calendar year of receipt.

NOTE 4 The working capital of the Trust is \$4,122 and the change in the working capital is reflected in the Statement of Receipts and Disbursements.

NOTE 5 The current fiscal year is the first year that the Trust has had financial transactions, and, therefore, there are no comparative figures for the previous period.